

DOE-CEG Telecon Notes

11/19/02 – By Terry Brennan

Agenda

- ◆ Status of Cost Estimating Guide -- needed for pursuit with HQ/Budget and other ME Organizations (representatives on telecon?)
- ◆ Discuss OPC--definitions in Cost Estimating Guide have NOT changed
- ◆ Renewed interest in D&D costs – several initiatives, EM and NNSA
- ◆ Status of VE Program
- ◆ Scheduling
 - Emphasis on earned value
- ◆ Status of web site – will be on OECM web site soon
- ◆ Conferences
 - Anyone planning to attend AACE conference in Orlando
 - Waste Management '03 in Tucson
 - TIE conference
- ◆ PM Manual out for comment
 - Major Issues
 - Ranges
 - Definitions (Cost Estimate, Contingency, Management Reserve, Validation, Allowance)
 - Other Comments
- ◆ Articles for Cost Engineering
 - Cost Engineering Magazine with AACE/DOE Agreement
 - NETL Plugged In -- coming soon
 - DOE This Month -- coming soon

Notes:

- ◆ Status of Cost Estimating Guide
 - Ross has made excellent progress
 - A “strawman” will be ready for review by mid-December/early January
 - A comment period of 3-4 weeks will be allotted for the DOE-CEG to review
 - Completion date may be impacted by outcome of OPC definition
- ◆ Discuss OPC--definitions in Cost Estimating Guide have NOT changed
 - Main Issue: Discussion at Savannah River as to what costs should be included when transitioning to operations
 - Consult with OBE and how they deal with categorization. Be consistent with Accounting principles (Ross is researching appropriate accounting contacts)
 - Continue to use Volume 6 Cost Guide and Budget Formulation Guide

- We need to adhere to the standard definition of TPC and be consistent
- Look hard at how things are classified
- ◆ Renewed Interest in D&D Costs – several initiatives, EM and NNSA
 - Highest levels of EM & NNSA are looking for benchmarks. Bob Warther has questioned when DOE receives proposals, if a “cheatsheet” can be provided based on historical information.
 - One size fits all philosophy too risky
 - Hanford has established several cost models because facilities are so unique
 - NNSA has implemented a Net Zero Policy. If a new building is constructed, one building must be removed. However, they are allowed to “bank” space for future use.
 - Higher levels are recognizing the need to maintain historical cost data. In the future we will have a central depository in which we can compare data for similar projects and gain confidence in estimating. At NETL, the IT person is working with Terry and Ross to ensure that the ECAS system will become a valuable tool. He has been able to easily create different WBSs.
 - Rocky Flats indicated that Mr. Warther has expressed significant interest in costs. He will fax a letter for discussion to Terry, who will share it with Ross.
- ◆ Status of VE Program
 - Comments were received and concurrence was obtained regarding the policy. However, six days after the review period ended, comments were received from Legal. The team is still on track to meet the deadline of December 31, 2002 to have the policy signed by the Secretary of Energy.
 - Richard Selg submitted a request for information anyone may have regarding Cost Critical Path. The group was polled to see if anyone had any information regarding this topic and nobody was able to provide input.
 - Policy says DOE will follow law first, and then follow OMB Circular A-131, for referencing questionable situations.
 - If formalized process is in place and not VE, still report savings.
- ◆ Scheduling
 - Jeanine Hoey was on travel and was unable to attend. This topic will be tabled for future meetings.
- ◆ Status of Web Site
 - Will have the same look and feel as the OECM Website
 - Will act as a repository of cost information and a valuable communication tool.
 - Should have some information posted within next two weeks.
- ◆ Conferences
 - Several people are planning to attend AACE conference in Orlando

(Ross, Terry, Ben Rice, Brian, Sandy, and Richard Selg)

- Waste Management '03 in Tucson (Susan, Pramod, and Brian are planning to attend).
- TIE conference - this conference was just completed. Pramod indicated that the conference was well attended and there were several good speakers.
- Several members of the group expressed an interest in the group meeting in person. The consensus is that this is a great idea and the Project Management Conference may be an opportune time to hold the meeting. Funding is the only issue remaining and Ross is working towards obtaining it.

◆ PM Manual Out for Comment

- At NETL, Ross and Terry have developed comments to enter into RevCom.
- Issues that have been recognized.
 - Earned Value using term CBB
 - Definitions (*Cost Estimate, Contingency, Management Reserve, Validation, Allowance*)
 - *Task* and *Activity* not defined
 - What is a “*project*”?
- Each site may have a different closing date to enter comments into RevCom

◆ Articles for Cost Engineering

- Cost Engineering Magazine with AACE/DOE Agreement – November Issue.
- NETL Plugged In – 1st article in November issue with more to come in future issues.
- DOE This Month – Working on an article for future issues.

◆ Other

- A question was submitted by Glenn Buchfeller regarding language in the recently passed National Defense Authorization Act for Fiscal Year 2003/Department of Energy National Security Authorizations General Provisions Act. Terry is obtaining clarification from Dave Pepson and his response will be forwarded to the group upon receipt.